

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company to Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design Including Real Time Pricing, to Revise its Customer Energy Statements, and to Seek Recovery of Incremental Expenditures. (U39M)

Application 10-03-014
(Filed March 22, 2010)

DECISION GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS D.11-05-047, D.11-12-053, D.11-12-060, D.12-03-015, D.12-03-056, D.12-08-046, AND D.12-10-004

Claimant: The Utility Reform Network	For contributions to D.11-05-047, D.11-12-053, D.11-12-060, D.12-03-015, D.12-03-056, D.12-08-046, and D.12-10-004
Claimed (\$): \$359,416	Awarded (\$): \$358,466.31 (Reduced 0.26%)
Assigned Commissioner: Peevey	Assigned ALJ: Thomas R. Pulsifer

PART I: PROCEDURAL ISSUES**A. Brief Description of Decision:**

These decisions address various issues raised in the application of Pacific Gas & Electric (PG&E) company seeking to revise electric marginal costs, revenue allocation and rate design in the second phase of their General Rate Case. The seven decisions addressed in this compensation request covered the following issues:

Decision 11-05-047 – Adopted changes to residential rate design including the creation of a Tier 3 rate for California Alternate Rates for Energy (CARE) customers, the reduction of overall baseline quantities, and a reduction in the non-CARE Tier 3/4 differential. The Decision rejects PG&E proposal for a fixed customer charge.

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Decision 11-12-053 – Adopts settlements addressing marginal cost and revenue allocation, medium and large light and power rate design, small light and power rate design, street lighting rate design and agricultural rate design. Also resolves contested issues relating to the Master Meter Mobile Home Park submetering discount and the proposed expansion of Schedule E-37 rates.

Decision 11-12-060 – Clarifies typographical errors in A.11-12-053 relating to a recommendation made by The Utility Reform Network (TURN) for a study of Mobile Home Park Master Meter hook-up costs.

Decision 12-03-015 – Adopts an all-party settlement resolving issues in Phase 3 intended to revise and improve PG&E's customer energy statements.

Decision 12-03-056 – Denies rehearing applications of D.11-05-047 filed by PG&E, Southern California Edison Company (SCE) and the Kern County Taxpayers Association. These applications challenged the legal conclusions relating to the prohibition on new fixed customer charges for residential customers.

Decision 12-08-046 – Denies rehearing application of D.11-12-053 filed by the Western Manufactured Housing Communities Association regarding the calculation of the master-meter Schedule ET discount for mobile home parks.

Decision 12-10-004 – Denies the Petition to Modify D.11-12-053 filed by the Western Manufactured Housing Communities Association regarding the calculation of the master-meter Schedule ET discount for mobile home parks.

PROPOSED DECISION**B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code § § 1801-1812:**

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (§ 1804(a)):		
1. Date of Prehearing Conference:	May 19, 2010	Correct
2. Other Specified Date for NOI:	N/A	N/A
3. Date NOI Filed:	June 17, 2010	Correct
4. Was the notice of intent timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.10-03-014	Correct
6. Date of ALJ ruling:	November 30, 2010	Correct
7. Based on another CPUC determination (specify):		
8. Has the claimant demonstrated customer or customer-related status?		Yes
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.08-05-023	Correct
10. Date of ALJ ruling:	April 22, 2009	Correct
11. Based on another CPUC determination (specify):		
12. Has the claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision	D.12-10-004	Correct
14. Date of Issuance of Final Decision:	October 17, 2012	Correct
15. File date of compensation request:	October 19, 2012	Correct
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION**A. Claimant's claimed contribution to the final decision:**

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
<p>1. RESRATE / REJECTION OF RESIDENTIAL CUSTOMER CHARGE</p> <p>TURN argued that PG&E's proposed fixed residential customer charge violated the rate protections in § 739.9(a) and § 739.1(b)(2). TURN explained that these provisions, enacted in Senate Bill (SB) 695 (Kehoe, 2009), included fixed charges within the baseline rate limitations and provided both Legislative History and a Memorandum from the Legislative Counsel in support of this view. TURN further cited a variety of Commission precedents that interpreted similar statutory language.</p> <p><u>Prepared direct testimony of Michel Peter Florio, October 6, 2010</u></p> <p><u>TURN opening brief on residential rate design issues, December 20, 2010 (at 3-14)</u></p> <p><u>TURN reply brief on residential rate design issues, January 10, 2011 (at 4-15)</u></p> <p>TURN presented analysis regarding the rate impacts of a customer charge on both non-CARE and CARE customers. This analysis showed that lower-usage customers, who also tend to be lower income, would experience disproportionate bill increases. TURN also demonstrated that the customer charge would not provide overall relief to residential customers in Kern County.</p> <p><u>Testimony of William B. Marcus, October 6, 2010, at 60-79</u></p>	<p><u>D.11-05-047, at 23-35</u></p> <p>The Decision finds that a new fixed customer charge is prohibited because the recently enacted § 739.1(b)(2) and § 739.9(a) include fixed charges within the limitations on allowable percentage increases in "rates for usage." (at 24)</p> <p>The Decision agrees with TURN's arguments regarding the Legislative History (at 25-26), appropriate statutory interpretation (at 26-32), and relevant Commission precedents (at 28-29).</p> <p>The Decision further states that the proposed customer charge "would produce unacceptable rate impacts on those customers least able to afford it" (at 24), expresses concerns about the economic impacts on low-income households (at 33) and concludes "the customer charge proposal should also be denied on policy grounds." (at 34)</p> <p>The Decision specifically mentioned TURN's findings that the customer charge "does not result in any material shifting of revenues between baseline territories." (at 34)</p>	<p>Yes</p>

<p>2. RESRATE / OPPOSITION TO APPLICATION FOR REHEARING OF D.11-05-047</p> <p>TURN opposed the joint application for rehearing of D.11-05-047 by PG&E, SCE and the Kern County Taxpayers Association. TURN defended the legal analysis in D.11-05-47 and demonstrated that the Commission properly interpreted the plain meaning of the § 739.9(a) and § 739.1(b)(2) rate limitations to include any fixed charges. TURN provided legislative history to support the legal interpretation and pointed out that the reading sought by the Applicants could result in unreasonable total bill increases for CARE customers. TURN further pointed out that the limitations in SB 695 are virtually identical to those previously contained in Water Code § 80110(e) and, therefore, Commission precedents based on § 80110(e) are applicable.</p> <p><u>Response of TURN to the Application for Rehearing of D.11-05-047 by PG&E, SCE and Kern County Taxpayers Association, July 18, 2011</u></p>	<p><u>D.12-03-056</u></p> <p>The Decision rejects the legal arguments raised by PG&E, SCE and the Kern County Taxpayers Association and affirms TURN's position that current law prohibits the adoption of a new fixed customer charge. The Decision specifically adopts TURN's position that the rate limitations in § 739.9(a) and § 739.1(b)(2) include fixed charges (at 8-9). The Decision further endorses TURN's assertions that the Legislative History supports this legal interpretation (at 9-11) and that PG&E's proposal would "effectively erase the SB 695 protections for CARE customers" (at 11). The Decision further agrees with TURN that the SB 695 restrictions should be interpreted in the same manner as the equivalent Assembly Bill (AB) x1 rate restrictions. (at 14)</p>	<p>Yes</p>
<p>3. RESRATE / CARE TIER 3 RATE</p> <p>TURN supported the establishment of a Tier 3 CARE rate but opposed PG&E's proposal to automatically increase this rate by 1.5 cents/kilowatt-hour (kWh) in 2012 and 2013. TURN identified legal issues and articulated policy concerns regarding affordability and rate shock associated with the automatic annual increases.</p> <p><u>TURN opening brief on residential rate design issues, December 20, 2010 (at 14-19)</u></p>	<p><u>D.11-05-047, at 35-42</u></p> <p>The Decision approves PG&E's proposal to create a Tier 3 CARE rate but concludes that the two additional annual increases sought by PG&E are "too fast and will risk undue rate shock to impacted customers." (at 41) Based on concerns raised about the affordability of these increases, the Decision approves one interim CARE Tier 3 rate increase rather than the two increases sought by PG&E.</p>	<p>Yes</p>

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<p><u>TURN reply brief on residential rate design issues, January 10, 2011 (at 15-21)</u></p>		
<p>4. RESRATE / RETAINING 4 TIERS FOR NON-CARE CUSTOMERS:</p> <p>TURN opposed the elimination of a Tier 4 non-CARE rate in order to more fairly allocate costs to higher users and retain conservation signals. TURN conducted analysis showing that the elimination of Tier 4 would assist wealthier households and makes practically no difference in shifting revenue collections away from the Central Valley and towards the Coast.</p> <p><u>Testimony of William B. Marcus, October 6, 2010, at 60, 62-63, 69</u></p> <p><u>TURN opening brief on residential rate design issues, December 20, 2010 (at 20-28)</u></p>	<p><u>D.11-05-047, at 47-49</u></p> <p>The Decision rejects PG&E's proposal to eliminate the Tier 4 rate and establishes a differential of at least 4 cents/kWh between Tiers 3 and 4. (at 47-48) The Decision agrees with TURN's analysis that the elimination of Tier 4 has "virtually no impact on the total amount of revenues collected from Kern County residential customers." (at 49) The Decision further finds that the elimination of Tier 4 would result in no additional conservation incentive for customers using more than 200 % of baseline. (at 48)</p>	<p>Yes</p>
<p>5. RESRATE / CHANGES TO RESIDENTIAL BASELINE QUANTITIES:</p> <p>TURN did not oppose the reduction of baseline quantities to 55% of average usage in light of the increased conservation incentive and the fact that similar changes had already been made to baselines for San Diego Gas & Electric Company (SDG&E) and SCE. TURN noted that analysis performed in response to TURN data requests revealed that the reduction in baselines provided a net reduction of 1.1% of revenues collected from Central Valley residential customers.</p> <p>TURN proposed that PG&E conduct a study into changing the baseline seasons to allow for a shorter summer period (4 months) and a longer winter period (8 months).</p>	<p><u>D.11-05-047, at 49-56</u></p> <p>The Decision approves PG&E's proposal to reduce the baseline quantities to 55 % of average usage in each climate zone.</p> <p>The Decision also finds "merit in TURN's recommendation that PG&E consider changing its baseline seasons to a four-month summer period and a longer eight-month winter period" and directs PG&E to undertake this evaluation and report the results in its next Rate Design Window. (at 56)</p>	<p>Yes</p>

<p><u>Testimony of William B. Marcus on Rate Design, October 6, 2010, at 60.</u></p> <p><u>TURN opening brief on residential rate design issues, December 20, 2010 (at 19-20)</u></p>		
<p>6. MC-RA/ SETTLEMENT ON MARGINAL COST AND REVENUE ALLOCATION ISSUES</p> <p>TURN prepared testimony on marginal costs (customer, distribution, generation) and revenue allocation. TURN recommended a 1.54% reduction in residential class revenues (before CARE) at 100% movement to equal percentage of marginal costs. (at 57-58). TURN proposed an 11.96% reduction in distribution cost allocation. (at 55-56). TURN supported allocating energy efficiency, pensions, labor overheads and certain shareholder incentives using public purpose allocation factors. (at 51-54)</p> <p>TURN also reviewed PG&E's draft Annual Electric True-up filing and identified material problems with the calculations that would have reduced the share of settlement benefits allocated to residential customers.</p> <p><u>Testimony of William B. Marcus on Marginal Cost, Revenue Allocation and Rate Design, October 6, 2010.</u></p>	<p><u>D.11-12-053, at 6-9, 72-76, Appendix A</u></p> <p>The Decision adopts the multi-party settlement resolving all marginal cost and revenue allocation issues. The settlement reflects a compromise of positions held by TURN and other parties and generally applies a "black box" approach to reaching the specific outcomes. The settlement adopts revenue allocation results that are expected to reduce rates by 1.1% for non-CARE residential customers (Appendix A, Table 1). The settlement also specifies that 44% of distribution revenues will be allocated to the residential class (Appendix A, Table 3) which reflects a compromise of positions between TURN and other parties. The Settlement allocates CARE program costs on an equal cents per kilowatt-hour basis to all customers and energy efficiency costs on an equal percent of revenue basis (Appendix A, at 15-16). The Settlement further requires PG&E to hold workshops prior to its 2014 GRC Phase 2 application to discuss the marginal generation and customer access cost, and revenue allocation data and methodologies that may be used in that proceeding (at 18-24).</p> <p>The Decision acknowledges that the actual outcomes will vary based on "rate changes that may occur before this Settlement Agreement is implemented." (at 8) Prior to filing the Annual Electric True-Up, PG&E remedied material calculation errors that were included in drafts circulated</p>	<p>Yes</p>

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	to the settlement parties (and identified by TURN) and incorporated the revised calculations in Advice Letter 3896-E-B.	
<p>7. SLP-MLP / ADOPTION OF SETTLEMENT</p> <p>TURN raised concerns about large increases to customer charges for commercial customers. Specifically, TURN opposed PG&E's proposal to raise the A-1 fixed charge from \$9 to \$15 per month for single-phase customers and from \$13.50 to \$22.50 for three-phase customers. TURN signed the Small Light and Power Settlement resolving these concerns.</p> <p><u>Testimony of William Marcus on Marginal Cost, Revenue Allocation and Rate Design, October 6, 2010, at 80</u></p>	<p><u>D.11-12-053, at 29-33, Settlement Agreement, Exhibit A</u></p> <p>The Decision adopts the Small Light and Power settlement which sets the A-1 fixed customer charge at \$10 for single-phase service and \$20 for poly-phase service. (at 30) The level of these charges reflected a compromise of the positions of the parties.</p>	Yes
<p>8. MHP / GAS BASELINE AND SCHEDULE ES SETTLEMENT</p> <p>TURN identified several modifications to PG&E's proposed master meter discount calculations that also apply to the Schedule ES discount for multifamily service master metered customers. TURN proposed using a medium light and power (ML&P) customer at secondary voltage as the proxy for the master meter, removing primary and secondary distribution costs from the connection cost estimates, removing transformer and service equipment costs, adjusting "Other account 903" expenses, and applying meter service and reading costs based on the ML&P proxy. These adjustments were incorporated into a TURN-PG&E settlement that also included updates to natural gas baseline quantities.</p> <p><u>Direct testimony of Jeff Nahigian on</u></p>	<p><u>D.11-12-053, at 33-36</u></p> <p>The Decision adopts a settlement between PG&E and TURN that applies PG&E's updated gas baseline quantities and establishes a base ES Master Meter discount of \$2.32 per space per month. The revised ES discount calculation includes some of the modified inputs originally sought by TURN such as the removal of transformer and service equipment costs and the use of a Medium Light and Power customer as a proxy for the master meter customer. (at 35)</p>	Yes

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<p><u>behalf of TURN, October 6, 2010, at 8-11</u></p> <p><u>Rebuttal testimony of Jeff Nahigian on behalf of TURN, June 24, 2011, at 4-8</u></p> <p><u>Surrebuttal testimony of Jeff Nahigian on behalf of TURN, at 6-9.</u></p> <p><u>Motion of PG&E and TURN for Adoption of Schedule ES and Natural Gas Baseline Quantity Residential Rate Design Supplemental Settlement Agreement, June 22, 2011</u></p>		
<p>9. AG RATE / NO EXPANSION OF E-37 TARIFF</p> <p>TURN monitored the Agricultural rate settlement to ensure that residential class customer interests were protected and to prevent the expansion of the E-37 tariff. TURN opposed efforts to expand E-37 to include certain High-load factor Non-Agricultural Pumping accounts. TURN argued that this expansion is unjustified, that E-37 was intended to help idle oil wells during a period of extremely low oil prices, and that Lamont PUD's proposal would force other non-agricultural customers to pay for the lost revenues.</p> <p><u>TURN Reply Brief on the Proposal of Lamont PUD to Modify the Agricultural Rate Settlement, October 18, 2011.</u></p>	<p><u>D.11-12-053, at 62-72</u></p> <p>The Decision approves the agricultural rate settlement (which was not opposed by TURN) closed the E-37 tariff and was approved and the proposal by Lamont Public Utilities District to expand the E-37 tariff was rejected. The Decision agrees with TURN that the expansion of E-37 is not justified and that other customers would be burdened with higher rates if the expansion was adopted. (at 66) The Decision concludes that E-37 was intended to help return idle oil wells to production during a time of low crude oil prices, that the assumptions underlying this rate option "may no longer be relevant", and that the schedule should not be extended to other types of customers. (at 67).</p>	<p>Yes</p>

<p>10. MHP / MODIFICATIONS TO SCHEDULE ET DISCOUNT</p> <p>TURN supported PG&E's revised Schedule ET discount after it was modified to incorporate a variety of changes proposed by TURN. (Surrebuttal testimony, at 1-2)</p> <p>TURN opposed WMA's proposals to use inflated customer hookup costs that would contribute to a more than tripling of the current ET discount. (Rebuttal testimony, at 6-8)</p> <p>TURN critiqued the use of customer connection costs for master meter customers based on the use of a multi-family customer proxy and agreed with the use of costs for serving a medium light and power customer. (Direct testimony, at 5-7; Rebuttal testimony, at 4-6; Surrebuttal testimony, at 2-3)</p> <p>TURN argued that customer billing and collections O&M costs in Account 903 should be removed from the discount (Direct testimony, at 10-11)</p> <p>TURN opposed WMA's proposal to include the replacement costs of customer hookup equipment in the discount given that replacement is already included in the depreciation component associated with the rental method used by PG&E. (Rebuttal testimony, at 19-21)</p> <p>TURN opposed WMA's proposal to adjust the submeter discount using an Equal Percentage of Marginal Cost (EPMC) scalar. (Rebuttal testimony, at 8-13)</p> <p>TURN opposed WMA's proposed use</p>	<p><u>D.11-12-053, at 36-53</u></p> <p>The Decision approves PG&E's proposed Schedule ET master meter discount as supported by TURN subject to TURN's caveat that the escalation and discount rates will only apply for the purpose of calculating the ET discount (at 43). The Decision approves the base discount (\$6.53) and net discount (\$2.40) proposed by PG&E and supported by TURN and rejects the discount assumptions supported by WMA.</p> <p>The Decision adopts PG&E's revised proposal to use medium light and power connection costs as a proxy for the MHP master meter connection (at 42) and the proposed adjustments to Account 903 proposed by TURN (at 41-42).</p> <p>The Decision rejects WMA's proposal to add replacement costs to the discount (at 44-45), rejects the use of an EPMC scalar (at 46-48) and rejects the use of uncapped connection costs based on line extension allowances (at 48-49). The Decision also agrees that the costs to serve submetered MHP tenants are comparable to the costs of serving multi-family residential customers (at 50-53).</p> <p>Finally, the Decision adopts TURN's proposal for PG&E to collect data on the actual costs of serving submetered mobile home park tenants for use in the next Phase 2 GRC proceeding (at 53).</p>	<p>Yes</p>
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<p>of uncapped customer connection costs based on line extension allowances. (Rebuttal testimony, at 13-15)</p> <p>TURN opposed WMA's proposal to use a single-family residential customer as a proxy for a submetered tenant and argued instead to use the costs of serving multi-family residential customers. (Surrebuttal testimony, at 6-9)</p> <p>TURN urged the Commission to direct PG&E to collect information on its costs for directly serving mobile home parks (Direct testimony, at 12; Surrebuttal testimony, at 9-11).</p> <p><u>TURN testimony on Calculating the ET Submeter Discount, October 6, 2010</u></p> <p><u>Rebuttal testimony of TURN on Calculating the ET Submeter Discount, June 24, 2011</u></p> <p><u>Surrebuttal testimony of TURN on Calculating the ET Discount, July 8, 2011</u></p> <p><u>Opening brief of TURN on the Schedule ET Discount, September 23, 2011</u></p> <p><u>Reply brief of TURN on the Schedule ET Discount, October 7, 2011</u></p> <p><u>Reply comments of TURN on the proposed decision of ALJ Pulsifer, December 12, 2011</u></p>		
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<p>11. RCES / ALL PARTY SETTLEMENT</p> <p>TURN provided testimony calling on PG&E to seek additional customer input and requiring PG&E to demonstrate engagement in a collaborative process. TURN also proposed that PG&E should conduct a feasibility study to consider the use of rate comparison tools. TURN further recommended that cost recovery for Dynamic Pricing billing should be limited to this proceeding. TURN urged that PG&E ensure greater integration between paper and electronic bills, provide an opt-out for customers seeking a one-at bill, highlight the compounded savings resulting from reduced usage due to Tier pricing, and provide paper bills in all requested languages. Finally, TURN identified excessive base labor escalation rates for IT and Customer Outreach costs and proposed a \$403,000 reduction.</p> <p><u>Design Recommendations and Costs of Revised Customer Energy Statements, Testimony of Greg Ruszovan on behalf of TURN, June 22, 2011, at 1-6.</u></p> <p><u>Decision 12-03-015, at 8-9</u></p>	<p><u>D.12-03-015</u></p> <p>The Decision adopts the all-party settlement resolving phase 3 issues regarding PG&E's revised customer energy statement (RCES). The settlement reduces PG&E's \$34.7 million revenue requirement request to \$19.012 million (at 13), establishes a one-way balancing account for these costs (at 16), includes specific customer outreach and customer research requirements, and limits future rate recovery for bill redesign activities identified in this settlement (at 16-17). The settlement also requires PG&E to implement specific changes with respect to the graphic representations of gas and electric rate Tier costs and a clear definition of baseline. (at 10) PG&E is required to conduct additional research regarding customer preferences including targeting hard to reach groups. (at 12) PG&E is required to provide paper bills in Spanish and Chinese (at 14). The Decision finds that the settlement "constitutes a negotiated arms-length compromise resolving differences among the RCES proposals set forth in the prepared testimony by PG&E and that of DRA, TURN, and CforAT." (at 18)</p>	<p>Yes</p>
<p>12. MHP / OPPOSITION TO REHEARING REQUEST OF WMA</p> <p>TURN and PG&E filed a joint response to the Application for rehearing of D.11-12-053 filed by WMA. TURN/PG&E urged the Commission to deny the rehearing request and argued that WMA's legal claims regarding the master meter discount were invalid. Specifically, TURN/PG&E argued that it was appropriate not to rely on 2009 cost</p>	<p><u>D.12-08-046</u></p> <p>The Decision denies WMA's application for rehearing and agrees with TURN and PG&E on the appropriateness of not relying on 2009 cost data (at 14-20), the reasonableness of using multi-family residences as a proxy for mobile home park submetered customers (at 6-14) and the inappropriateness of applying an EPMC scalar (at 21-26).</p>	<p>Yes</p>

<p>information to calculate the master meter discount and to use multifamily residences as a proxy for mobile home submetering customers. TURN/PG&E urged the Commission to reject efforts to apply an EPMC scalar for purposes of calculating the discount.</p> <p><u>Joint response of TURN and PG&E to the WMA application for rehearing, February 7, 2012.</u></p>		
<p>13. MHP / OPPOSITION TO WMA PETITION TO MODIFY</p> <p>TURN and PG&E filed a joint response to the Petition to Modify D.11-12-053 filed by WMA. TURN/PG&E urged the Commission to deny the petition and argued that WMA's legal, factual and policy claims regarding the master meter discount were invalid.</p> <p>Specifically, TURN/PG&E argued that it was appropriate to not rely on 2009 cost information to calculate the master meter discount and to use multifamily residences as a proxy for mobile home submetering customers. TURN/PG&E urged the Commission to reject efforts to apply an EPMC scalar for purposes of calculating the discount.</p> <p><u>Joint response of TURN and PG&E to the WMA petition to modify Decision 11-12-053, February 22, 2012.</u></p> <p>TURN and PG&E jointly urged the Commission to reject the WMA supplement to its original petition to modify based on failure to satisfy the requirements of Rule 16.4(b).</p> <p><u>Joint response of TURN and PG&E to the WMA supplement to petition to modify Decision 11-12-053, March 27, 2012.</u></p>	<p><u>D.12-10-004</u></p> <p>The Decision denies WMA's petition for modification of D.11-12-053 and agrees with TURN and PG&E that the original decision did not understate the Schedule ET discount. Specifically, the Decision rejects WMA's arguments regarding the appropriateness of not relying on 2009 cost data (at 9-13), the reasonableness of using multi-family residences as a proxy for mobile home park submetered customers (at 13-19) and the inappropriateness of applying an EPMC scalar (at 19-22).</p> <p>The Decision also rejects WMA's supplemental filing as "not supported by affidavit or sworn testimony as required by Rule 16.4(b)." (at 4)</p>	<p>Yes</p>

B. Duplication of Effort (§ § 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was DRA a party to the proceeding?	Yes	Yes
b. Were there other parties to the proceeding?	Yes	Yes
c. If so, provide name of other parties: Center for Accessible Technology, Greenlining Institute, Western Manufactured Housing Communities Association, Kern County Taxpayers Association, Agricultural Energy Consumers Association, Vote Solar Initiative, Energy Producers and Users Coalition, California Large Energy Consumers Association, California Farm Bureau, Solar Alliance, Lamont Public Utility District, Disability Rights Advocates, South San Joaquin Irrigation District, Sierra Club, City and County of San Francisco, Southern California Edison		Correct
d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: <p>TURN coordinated closely with DRA throughout the proceeding. For purposes of residential rate design, TURN worked with DRA and took a leadership role in opposing the fixed customer charge proposal. TURN coordinated with other like-minded parties such as Greenlining Institute, Sierra Club, and Disability Rights Advocates. These parties did not all share the same perspective and argued for somewhat different outcomes with respect to modifications to CARE rates.</p> <p>TURN participated in three settlements and played a leading role in two of the settlement processes. In the marginal cost and revenue allocation settlement, TURN provided unique technical expertise (in the form of Bill Marcus) and coordinated with DRA and other intervenors to achieve an acceptable outcome on all disputed issues. In phase 3 of the proceeding, TURN worked with DRA, CforAT, and Greenlining to develop a joint negotiating position that led to an all-party settlement on the Revised Customer Energy Statement.</p> <p>On Master Meter Mobile Home Park discount issues, the only active parties were TURN, PG&E and WMA. TURN worked closely with PG&E and opposed WMA's positions in testimony, hearings, briefs and responses to attempts to overturn or modify the adopted decision. TURN joined PG&E in joint responses to WMA's application for rehearing and petition for modification.</p> <p>TURN's participation in this proceeding represents a model for collaboration and minimizing the duplication of effort.</p>		Verified

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§ § 1801 & 1806):**

Claimant's explanation of how its participation bore a reasonable relationship with benefits realized through its participation. (include references to record, where appropriate)	CPUC Verified
<p>As demonstrated in the substantial contribution section, TURN's participation led to substantial savings for residential ratepayers. Monetary benefits from TURN's contribution include the following:</p> <ul style="list-style-type: none"> • The all-party RCES settlement reduced PG&E's \$34.7 million revenue requirement request to \$19.012 million, a savings of more than \$15 million. • The rejection of PG&E's customer charge benefitted 70% of all residential customers and 100% of CARE customers, all of whom would have paid higher monthly bills if PG&E's customer charge had been adopted. (See TURN opening brief on residential rate issues, at 12) Moreover, the favorable legal precedents obtained by TURN prevented the other two major utilities (SCE and SDG&E) from proposing similar fixed customer charges in their phase 2 general rate cases. • The Marginal Cost and Revenue Allocation settlement reduced overall rates by 1.1% for non-CARE residential customers and lowered the share of distribution revenues allocated to the residential class (to 44%). • The Schedule ET submetering discount was reduced to a net level of \$2.40 per space per month. This reduction benefits PG&E residential customers who would otherwise be forced to pay higher rates in the event that the higher discount level sought by WMA had been approved. Moreover, the favorable precedents obtained by TURN on ET discount issues represent the first litigated outcomes in many years and provide clear guidance for setting the ET discount in future proceedings. • The rejection of Lamont PUD's efforts to expand E-37 to include certain High-load factor Non-Agricultural Pumping accounts saved non-participating customers between \$12.3 and \$18.4 million. (D.11-12-053, at 65) <p>Taken together, the benefits obtained by TURN far exceed (by orders of magnitude) the cost of TURN's participation in the proceeding. TURN's claim should be found to be reasonable.</p>	Verified

<p>b. Reasonableness of Hours Claimed.</p> <p>Given the level of success achieved by TURN in this proceeding across a range of issues in a series of decisions, the amount of time devoted by staff and consultants is fully reasonable. TURN assigned a number of attorneys to work on various pieces of this proceeding. Senior Attorney Mike Florio prepared testimony and initially engaged on the legal issues associated with the customer charge proposal. Staff Attorney Marybelle Ang performed important initial legal research on precedents relating to baseline rates and fixed charges. Staff Attorney Matthew Freedman was the lead attorney in the hearing room and for the briefing phase of the case. Robert Finkelstein assisted with the case at the beginning stages and Marcel Hawiger participated in Phase 3 to provide assistance for the RCES issues.</p> <p>Given the complexity of the issues presented in Phase 2 of a General Rate Case, TURN retained the services of JBS Energy to assist with the preparation of testimony on a wide range of issues. JBS Energy consultants, led by Bill Marcus, have extensive experience in General Rate Cases and were able to effectively analyze very challenging data. Greg Ruszovan performed analysis on marginal cost data and worked with Bill Marcus on a pioneering study of residential electricity usage patterns that demonstrated clear correlations between income, household square footage, pool/air conditioner usage, and electric consumption. (See Testimony of Bill Marcus, at 70-79). This study assisted TURN in successfully preserving the Tier 4 rate and defeating the fixed customer charge.</p> <p>TURN devoted substantial time to settlement negotiations on Marginal Cost and Revenue Allocation. In that process, several key individuals were designated by the entire settlement group as leads who could work through details and develop a framework for agreement. Bill Marcus was one of these key people without whom a final settlement may not have been possible. Mr. Marcus also monitored two other settlement processes (Agriculture and Small Light & Power).</p> <p>TURN attorney Matthew Freedman and JBS Energy consultant Jeff Nahigian devoted significant time to the Master Meter Mobile Home Park discount issue. This investment of time was necessary given the fact that there were three rounds of intervenor testimony, extensive discovery, full evidentiary hearings, briefing, and then multiple filings after the issuance of D.11-12-053 to defend the decision against efforts to seek rehearing and/or modification.</p> <p>The legal and policy issues addressed in this proceeding were extremely complex and, in some instances, required significant amounts of time by</p>	<p>Verified</p>
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<p>TURN's attorneys. Moreover, the large number of active parties meant that TURN's attorneys needed to review substantial volumes of pleadings associated with every round of comments, testimony and briefs submitted.</p> <p>Given the numerous substantial contributions resulting from TURN's intervention across seven separate decisions, the Commission should find that the number of hours claimed is fully reasonable.</p>	
<p>c. Allocation of Hours by Issue</p> <p>TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets. The following codes relate to specific substantive issue and activity areas addressed by TURN. TURN also provides an approximate breakdown of the number of hours spent on each task and the percentage of total hours devoted to each category (note that the numbers do not equal 100% due to rounding).</p> <p>General Participation (GP) - 56.25 hours - 4% of total</p> <p>General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This includes reading the initial application, drafting of a protest, reviewing Commission rulings, some preliminary data requests, review of NDAs, case management tasks, participating in prehearing conferences, and reviewing pleadings submitted by other parties.</p> <p>Residential Rate Design (RESRATE) - 478 hours - 36% of total</p> <p>Includes work on residential rate design issues including the proposed customer charge, changes to baselines, the proposal to eliminate non-CARE Tier 4 rates, and the proposed new Tier 3 CARE rate. Also includes time devoted to analyzing Residential Appliance Saturation Survey data and residential customer energy usage correlations. This area also includes time spent opposing the application for rehearing of D.11-05-047.</p> <p>Marginal Cost/ Revenue Allocation (MC-RA) - 113 hours - 8% of total</p> <p>Includes work on marginal cost and revenue allocation issues including data requests, model development, and preparation of testimony on marginal customer costs, marginal distribution costs, marginal generation costs, and revenue allocation topics.</p> <p>Marginal Cost/ Revenue Allocation Settlement (MC-RA SETT) - 95 hours - 7% of total</p> <p>Includes work on the marginal cost and revenue allocation settlement approved in D.11-12-053.</p> <p>Agricultural Rates (AG RATE)- 24.5 hours - 2% of total</p> <p>Includes participation in agricultural customer settlement discussions and</p>	<p>Verified</p>

work opposing the proposal by Lamont PUD to expand E-37 to include certain High-load factor Non-Agricultural Pumping accounts.

Master-Meter Mobile Home Park Discount (MHP) - 445 hours - 34% of total

Includes work on Schedule ET discount issues for Master Meter customers serving mobile home park submetered tenants and related Schedule ES discount issues. TURN prepared 3 separate rounds of testimony, conducted extensive discovery, participated in two days of dedicated evidentiary hearings on this topic, engaged in settlement negotiations, and prepared opening and reply briefs. Also includes work reviewing, and opposing, WMA's applications for rehearing and petition to modify D.11-12-053.

Small Light and Power Settlement (SLP-MLP) - 7.5 hours - 1% of total

Includes work on small light and power rate design issues. TURN participated in an all-party settlement that resolved concerns over fixed customer charges and was adopted in D.11-12-053.

Revised Customer Energy Statement (RCES) - 87 hours - 7% of total

Includes work on PG&E's Phase 3 proposals for revisions to the customer energy statement. TURN prepared testimony and subsequently entered into an all-party settlement that was adopted in D.12-03-015.

Compensation - 21.50 hours

Time spent on the notice of intent to claim compensation and the preparation of this compensation request. This number of hours is warranted due to the large number of substantial contributions documented in this request.

TURN attorneys and consultants used “#” to describe time devoted to a mix of issues with 25% of the hours allocated to Residential Rate Design, 50% allocated to Marginal Cost and Revenue Allocation issues, and 25% allocated to Master Meter Mobile Home Park discounts. These hours have been incorporated to the totals listed above.

B. Specific Claim:

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
Hayley Goodson	2010	1.00	\$295	D.10-12-015	\$295	2010	1	\$295	\$295
Robert Finkelstein	2010	21.25	\$470	D.10-09-042	\$9,988	2010	21.25	\$470	\$9,987.50

PROPOSED DECISION

Robert Finkelstein	2011	1.75	\$470	D.12-03-024	\$823	2011	1.75	\$470	\$822.50
Marybelle Ang	2010	81	\$280	D.11-06-012	\$22,680	2010	81	\$280	\$22,680
Marybelle Ang	2011	11.75	\$280	D.11-06-012	\$3,290	2011	11.75	\$280	\$3,290
Mike Florio	2010	32.25	\$535	D.10-05-012	\$17,254	2010	32.25	\$535	\$17,253.75
Mike Florio	2011	5	\$535	D.10-05-012	\$2,675	2011	5	\$535	\$2,675
Marcel Hawiger	2010	0.75	\$350	D.11-09-037	\$263	2010	0.75	\$350	\$262.50
Marcel Hawiger	2011	3.75	\$350	D.11-09-037	\$1,313	2011	3.75	\$350	\$1,312.50
Matthew Freedman	2010	166.75	\$325	D.10-09-044	\$54,194	2010	166.75	\$325	\$54,193.75
Matthew Freedman	2011	196	\$350	D.12-07-019	\$68,600	2011	196	\$350	\$68,600
Matthew Freedman	2012	25.25	\$360	See Comment 1	\$9,090	2012	25.25	\$360	\$9,090
	Subtotal:				\$190,463	Subtotal:			\$190,463
EXPERT FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
Jeff Nahigian	2010	120.75	\$190	D.10-07-040	\$22,943	2010	120.75	\$190	\$22,942.50
Jeff Nahigian	2011	224	\$190	D.12-06-036	\$42,560	2011	224	\$190	\$42,560
Jeff Nahigian	2012	32	\$190	D.12-06-036	\$6,080	2012	32	\$195	\$6,240
Greg Ruzovan	2010	122.96	\$195	D.12-03-024	\$23,977	2010	122.96	\$195	\$23,977.20
Greg Ruzovan	2011	54.35	\$195	D.12-03-024	\$10,598	2011	49.35	\$195	\$9,623.25
William Marcus	2010	172.74	\$250	D.10-11-032	\$43,185	2010	172.74	\$250	\$43,185
William Marcus	2011	44.82	\$250	D.10-11-032	\$11,205	2011	44.82	\$250	\$11,205
	Subtotal:				\$160,548	Subtotal:			\$159,732.95

PROPOSED DECISION

INTERVENOR COMPENSATION CLAIM PREPARATION **									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
Matthew Freedman	2010	1.00	\$162.5	D.10-09-044 (@ 50% of normal rate)	\$162.50	2010	1.00	\$162.50	\$162.50
Matthew Freedman	2012	20.5	\$180	See Comment 1 (@ 50% of proposed rate)	\$3,690	2012	20.5	\$180	\$3,690
	Subtotal:				\$3,853	Subtotal:			\$3,852.50
COSTS									
#	Item	Detail			Amount	Amount			
	Travel	Travel to/from hearings in San Francisco and settlement meetings. Includes parking/tolls.			\$276.50			\$141.00 ¹	
	Photocopies	Pleadings, cross-examination exhibits, testimony			\$120.80			\$120.80	
	Lexis-Nexis	Research on customer charge legal issues			\$4,109.15			\$4,109.15	
	Phone/Fax	Conference calls and other phone-related work			\$17.93			\$17.93	
	Postage	For pleadings filed with CPUC			\$28.98			\$28.98	
Subtotal:					\$4,553.36	Subtotal:		\$4,417.86	
TOTAL REQUEST \$:					\$359,416.31	TOTAL AWARD \$:		\$358,466.31	
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p>									
<p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate.</p>									

C. Attachments or Comments Documenting Specific Claim:

Attachment or Comment #	Description/Comment
Attach 1	Certificate of Service – filed electronically as a separate document pursuant to Rule 1.13(b)(iii)
Attach 2	Daily Time Records for Attorneys and Experts
Attach 3	Expense Detail

¹ After further inquiry with TURN it was determined that the travel expenses claimed for October 3, 2011 were incorrect. TURN does not dispute this issue, and therefore the travel expenses claimed for October 3, 2011 have been adjusted accordingly. In addition, the Commission has eliminated those costs which do not attribute to travel resulting in at least 120 miles. Thus, the BART and Amtrak tickets accounted for have been eliminated from the total travel costs to be reimbursed.

PROPOSED DECISION

Comment 1	<p>Hourly Rate for Matthew Freedman in 2012:</p> <p>Consistent with the Cost-of-Living Adjustment authorized by Resolution ALJ-281, the hourly rate for Matthew Freedman in 2012 is increased by 2.2%. Since this adjustment raises Mr. Freedman's rate to \$357.70, TURN rounds this to the nearest \$5 increment (\$360).</p>
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D. CPUC Disallowances & Adjustments:

#	Reason
1. Increase in 2012 hourly rates.	Per Resolution ALJ-281, we accept TURN's increase in 2012 hourly rates for Matthew Freedman. In addition we applied the 2.2% COLA adjustment to Mr. Nahigian's rate for work done in 2012.
2. Travel costs disallowed.	See footnote 1.

PART IV: OPPOSITIONS AND COMMENTS**A. Opposition: Did any party oppose the claim?**

No

B. Comment Period: Was the 30-day comment period waived (*see* Rule 14.6(2)(6))?

Yes

FINDINGS OF FACT

- TURN has made a substantial contribution to Decisions D.11-05-047, D.11-12-053, D.11-12-060, D.12-03-015, D.12-03-056, D.12-08-046, and D.12-10-004
- The claimed fees and costs are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
- The total of reasonable contribution is \$358,466.31.

PROPOSED DECISION

CONCLUSION OF LAW

1. The claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code § § 1801-1812.

ORDER

1. TURN is awarded 358,466.31.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay TURN the total award. Payment of the award shall include interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning January 2, 2013, the 75th day after the filing of claimant's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This proceeding is closed.
5. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1105047, D1112053, D1112060, D1203015, D1203056, D1208046, and D1210004		
Proceeding(s):	A1003014		
Author:	ALJ Thomas R. Pulsifer		
Payer(s):	Pacific Gas and Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	10/19/12	\$359,416	\$358,466.31	No	Resolution ALJ-281; incorrect travel costs.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Hayley	Goodson	Attorney	TURN	\$295	2010	\$295
Robert	Finkelstein	Attorney	TURN	\$470	2010	\$470
Robert	Finkelstein	Attorney	TURN	\$470	2011	\$470
Marybelle	Ang	Attorney	TURN	\$280	2010	\$280
Marybelle	Ang	Attorney	TURN	\$280	2011	\$280
Mike	Florio	Attorney	TURN	\$535	2010	\$535
Mike	Florio	Attorney	TURN	\$535	2011	\$535
Marcel	Hawiger	Attorney	TURN	\$350	2010	\$350
Marcel	Hawiger	Attorney	TURN	\$350	2011	\$350
Matthew	Freedman	Attorney	TURN	\$325	2010	\$325
Matthew	Freedman	Attorney	TURN	\$350	2011	\$350
Matthew	Freedman	Attorney	TURN	\$360	2012	\$360
Jeff	Nahigian	Expert	TURN	\$190	2010	\$190
Jeff	Nahigian	Expert	TURN	\$190	2011	\$190
Jeff	Nahigian	Expert	TURN	\$190	2012	\$195
Greg	Ruszovan	Expert	TURN	\$195	2010	\$195
Greg	Ruszovan	Expert	TURN	\$195	2011	\$195
William	Marcus	Expert	TURN	\$250	2010	\$250
William	Marcus	Expert	TURN	\$250	2011	\$250

(END OF APPENDIX)